

Superior Telegram

Obey endorses taxing AIG-like bonuses heavily

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U.S. Rep. Dave Obey, D-Wausau, thinks he has a plan to make the taxpayers whole after American International Group -- commonly known as AIG -- handed out \$165 million in bonuses after receiving \$170 billion in government bailouts.

Obey announced plans to co-sponsor a measure introduced in the House of Representatives Wednesday that would impose a "substantial tax" on bonuses paid to employees of corporations like AIG that receive Troubled Asset Relief Program funds.

"Sometimes you have to hit someone over the head with a 2 x 4 to get your point across," Obey stated in a news release issued Wednesday. "Companies that have to ask U.S. taxpayers to help keep their companies solvent shouldn't be turning around and handing out million dollar bonuses to their employees. The U.S. Government may not have the authority to void legally binding contracts, but we can certainly use the tax code to make sure that corporate executives aren't rewarded for their bad decisions."

The measure would subject any bonus paid out by a company that received funds under the Wall Street bailout to a 95 percent tax.

"This is one time when we can use the IRS to help average taxpayers for a change," Obey added.